

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission, on) Application No. NUSF-5/C-2045
its own motion, seeking to prescribe)
fair, just, and reasonable local) ORDER INITIATING DOCKET AND
rates for all incumbent local) ESTABLISHING PROCEDURAL
exchange carriers in the state of) GUIDELINES
Nebraska pursuant to <u>Neb. Rev. Stat.</u>)
sec. 86-803(4).) Entered: May 12, 1999

BY THE COMMISSION:

As set forth in the Commission order dated January 13, 1999, in Docket No. C-1628, all incumbent local exchange carriers (ILECs) were required to file transition plans with the Commission for approval. Inter alia, each transition plan was to set forth any annual local rate increases necessary to transition the carrier from current local rates to rates that are at or above the lower of the local rate rebalancing target or cost by the end of the transition period. The transition period is three years for non-rural ILECs and four years for rural ILECs.

Further, the Commission encouraged each ILEC to file, as a part of its initial transition plan, a request pursuant to Neb. Rev. Stat. sec. 86-803(4) that the Commission prescribe and approve as fair, just and reasonable the local exchange rate revisions (a) for the entire three-year period of each non-rural carrier's transition plan, and (b) for the entire four-year period of each rural carrier's transition plan.

The Commission proposed to deem rates set forth in the transition plans as "fair, just, and reasonable" basic local exchange rates if a company's transition plan was in compliance with the Commission's Findings and Conclusion and does not represent an increase in current basic local exchange rates for rates already above the local rate rebalancing targets at the time of filing.

As such, the Commission, on its own motion, hereby opens this docket to review the proposed local rate increase portion of companies' transition plans and to prescribe fair, just, and reasonable local rates for ILECs in the state of Nebraska who have requested the Commission to prescribe such rates pursuant to Neb. Rev. Stat. sec. 86-803(4). Only the local rate increase proposals will be considered under this docket; all other aspects related to the approval of ILEC transition plans will be considered separately.

O P I N I O N S A N D F I N D I N G S

After review of the comments filed in Docket No. C-1628/NUSF, the Commission is of the opinion and finds that the local rate revisions contained in the ILEC transition plans should be deemed as "fair, just, and reasonable" basic local exchange rates if a company's transition plan is in compliance with the Commission's orders in Docket No. C-1628/NUSF, are in the public interest and do not represent an increase in current basic local exchange rates for rates already above the local rate rebalancing targets at the time of filing.

The Commission finds that it would be wasteful of Commission

resources and add undue expense and delay to the process to require each company to separately justify an increase in basic local exchange rates in connection with the submission of a compliant transition plan. Such basic local rate increases are necessary to implement the access reductions required by the Telecommunications Act of 1996.

The Commission further finds that it would be in the interest of administrative economy to approve, at one time, all local rate increases proposed in a company's transition plan to the extent practicable. Therefore, the application of United Telephone Company of the West, dba Sprint, seeking local rate increases in Docket No. C-2041 will be merged into Docket No. NUSF-5/C-2045 for consideration thereunder.

Accordingly, the Commission will consider all such requests to prescribe fair, just and reasonable rates under Neb. Rev. Stat. sec. 86-803(4).

As no notice requirement is specifically set forth under said section, the Commission refers to Commission Rule and Regulation, Title 291, Chapter 5, Rule 002.32 wherein it states, "All subscribers shall be notified in writing of any change in the monthly basic local exchange rates sixty days prior to the effective date." As the Commission has already scheduled public hearings to address the proposed local rate increases, the Commission finds sixty days notice to affected customers is appropriate.

Therefore, the Commission hereby requires all ILECs to send each local subscriber a separate letter outlining the proposed local rate increases, with a copy of such letter being filed with this Commission. The letters must be postmarked no later than June 17, 1999. Said letters will provide each customer at least two weeks notice prior to hearing and more than sixty days notice prior to the effective date of the proposed rate increases. In addition to outlining the proposed local rate increases, the notification letters shall include, at a minimum, the following information:

- A statement outlining the fact that the proposed local rate increases are in response to the Federal Telecommunications Act of 1996.
- A statement outlining the details of the proposed local rate increases over the respective company's three or four year transition period.
- A list of hearing dates, times and locations that have been established for customers in their exchanges.
- A statement indicating that if a customer is unable to testify in person at the public hearings, that interested parties may file comments with the Commission by phone or in writing.

- A statement referencing the availability of the Nebraska Lifeline Program, including a statement outlining the eligibility requirements and the Commission's contact number for

consumer questions.

In order to afford all interested parties an opportunity to comment on the proposed increases and to comply with all necessary statutory requirements, the Commission has organized a series of public hearings to address the local rate increases. A list of video hearing locations, dates and times follows:

***** ALL HEARING TIMES ARE CENTRAL DAYLIGHT
TIME

Tuesday, July 6, 1999:

11:30 - 12:30 Hastings
12:30 - 2:00 Grand Island, Kearney, North Platte
2:30 - 4:30 Alliance, Chadron, Scottsbluff, Sidney
5:30 - 7:00 Grand Island, Hastings, Kearney, North Platte
7:30 - 9:00 Alliance, Chadron, Scottsbluff, Sidney

Wednesday, July 7, 1999:

9:30 - 11:30 Ainsworth, Norfolk, O'Neill, Valentine
2:30 - 4:30 Beatrice, Columbus, Nebraska City, Omaha
5:30 - 7:00 Ainsworth, Norfolk, O'Neill, Valentine
7:30 - 9:00 Beatrice, Columbus, Nebraska City, Omaha

Thursday, July 8, 1999:

1:30 - 4:30 Commission Hearing Room, Lincoln
1200 "N" Street, 300 The Atrium

HASTINGS

Hastings Public Library
517 West 4th Street
2nd Floor Meeting Room

AINSWORTH

Ainsworth Public Library
5th & Main Streets

GRAND ISLAND

Grand Island College Park
80 West Highway 34
Admin. Offices, Conf. Rm C

NORFOLK

Northeast Community College
801 Benjamin
MaClay Building, Room 122

KEARNEY

Kearney Public Library
2020 1st Avenue
Media Center Room, 2nd Floor

O'NEILL

St. Anthony's Hospital
223 East Adams

NORTH PLATTE

McKinley Education Center
301 West F Street, Room 1

VALENTINE

Cooperative Extension Office
110 West 4th Street

BEATRICE

Beatrice State Development Center
Hospital Building, Room 2
201 Kennedy

ALLIANCE

Alliance Learning Center
1750 Sweetwater, Room 123

SCOTTSBLUFF

Panhandle Education Center
4502 Avenue 1, High Plains Room

NEBRASKA CITY

PSC Regional Tech. Center
917 Wildwood, Room 106

CHADRON

Chadron State College
Student Center
10th & Shelton
The Scottsbluff Room

COLUMBUS

Columbus Public Library
2504 14th Street
Columbus Room, 2nd Floor

SIDNEY

Western Nebraska Comm. College
371 College Drive, Room 122

OMAHA

Omaha State Office Building
1313 Farnam on the Mall
1st Floor, Room 134

The Commission further finds that a pre-hearing conference will be held on June 15, 1999, at 1:30 p.m. in the Commission Hearing Room, to effectively structure and organize the proposed hearings. Participants may participate by phone by contacting the Commission prior to the hearing date to obtain the appropriate call-in number.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that all Nebraska ILECs are hereby made parties to this docket and a copy of this Docket No. NUSF-5/C-2045 order shall be served upon each party.

IT IS FURTHER ORDERED that public hearings to prescribe fair, just and reasonable rates for all telecommunications companies in the state of Nebraska will be held as set forth above.

IT IS FURTHER ORDERED that all incumbent local exchange carriers shall, by June 17, 1999, send a separate notification letter to all local subscribers outlining the proposed local rate increases. Said letter shall also contain, at a minimum, a list of hearing locations, dates, times and the other information previously set forth above.

IT IS FINALLY ORDERED that a pre-hearing conference will be held on June 15, 1999, at 1:30 p.m. in the Commission Hearing Room, Lincoln, Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 12th day of May, 1999.

NEBRASKA PUBLIC SERVICE COMMISSION:

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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